

K C Kwan

July 17, 2006

Federal Trade Commission

Dear Sir / Madam,

Re : Proposed Rule for Business Opportunity (Multi-level Marketing Business) in the US

FYI, I am a Quixtar Independent Business Owner for the last 3 years. I like this love and care environment and the impacts that they have made to people's life in a positive way!

As regards the recent proposal about new rules governing the multi-level marketing operation, I support the proposal fully in principle. I agree that consumers/entrepreneurs should be protected while providing a smooth and efficient environment for genuine operations (with intent to help other people to change their lives). Scam operation should be totally shut off

Thanks for the effort in regulating / protecting the MLM business. I know it's a tough job. Here are some of our key concerns & suggestions about some of the rules. Hopefully, this will be helpful to your drafting of the final proposal and this would then help the MLM industry in a healthy way:

- 1) Prohibit prospects from registering as an IBO until after 7 days they received a disclosure document.

I think the major concern is whether they will lose money or buying some products they do not need and cannot be returned. As long as the MLM Company agree to and do reimburse money (investment or product) within a reasonable period upon request, that will be fine. Waiting period is not necessary.

- 2) Require IBO to submit reference list or past litigation
 - i. Giving reference list does not serve the purpose of protecting consumers or entrepreneurs. This will give a lot of burdens to good IBO really want to help more people. For scam artist, they can give names of their partners that for sure will give good reference on them.
 - ii. Nobody (except the government) can have the know-how and time to up-keep a past litigation records. This is not practical. May be the FTC website can provide such information for the public to review.

3) Require IBO to calculate or substantiate every income claim

This is impossible because it depends on so many different factors. The more we do the calculation for new prospects, the more confused they will be. As long as we tell the prospects that income level depends on individual efforts and time put the business. There is no guaranty and they have to work on it. Every business takes a little while to really understand how income works in different scenarios. Prospects will find out soon after they involve in the business. The key thing is : If prospects can quit with no loss, why border. Just spend the time to check it out.

Thank you for your kind attention!

Sincerely,

K C Kwan